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UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
For Administrative Use



NOTE: Compiled from various sources. Not an expression of official opinion.

LATIN AMERICAN NEWS DIGEST

No. 417

January 1, 1942.

DIRECTOR OF PAN AMERICAN UNION HAILS UNITY OF AMERICAS. "The year 1941," says Dr. L. S. Rowe, "was of deep significance to the Pan American movement. The treacherous Japanese attack on Hawaii served to bring the peoples of the Americas closer to one another." Dr. Rowe predicts acceleration of economic cooperation as result of present crisis. (N.Y. Times)

MEXICO AND U.S. TO OPEN OIL CONFERENCES in Mexico City January 5. Conversations, led by Morris L. Cooke and Manuel J. Zevada, will be directed toward determining "just compensation" to be paid United States companies whose Mexican properties were expropriated in 1938. This method of attempted settlement was provided for in the Global agreement signed in November. Accompanying Mr. Cooke to Mexico are Dr. Harlow S. Person of the REA, O. C. Merrill, engineer economist, Judson C. Dickerman of the Federal Trade Commission, and Henry M. Oliver of the Treasury Department. (N.Y. Herald Tribune)

ARGENTINE FILM MEN FINED for monopolistic practices and restraint of trade. Argentine Film Producers' Association, including distributors for leading Hollywood film companies, were found to be able to fix theatre admission prices and close theatres by withholding pictures. (N.Y. Herald Tribune)

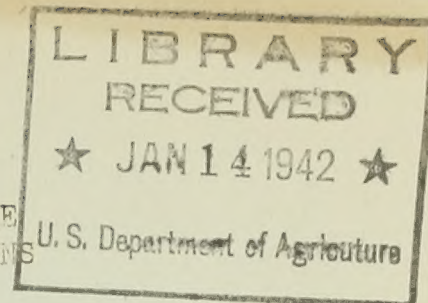
BOLIVIAN PRESIDENT ASKS COOPERATION in upholding principles of democracy, and promises to call upon all elements of nation to collaborate in Government regardless of political affiliation. Referring to war he said: "Bolivia is in a privileged position from which we will take positive benefits if we know how to take advantage of it." (N.Y. Herald Tribune)

MEXICO NAMES GROUP TO STUDY ESPIONAGE. Committee of 5 will investigate propaganda, sabotage and espionage by Axis agents in Mexico. Meanwhile Deputies speaking for "National Committee Against Sinarquism and for the Defense of the Democracies" said there were 150 Axis spies in Mexico violating recently passed espionage law and that former German Minister Baron Curt von Collenberg-Boettigheim, still living in Mexico, was head of the Gestapo in Latin America. (N.Y. Times)

76 SOUTH AMERICANS HERE FOR AVIATION. Young men from Bolivia, Chile, Colombia, Ecuador and Peru arrive in New York to study aviation in \$1,250,000 program supervised by Civil Aeronautics Administration. (N.Y. Times)

VARGAS REAFFIRMS SOLIDARITY WITH U.S. Speaking to heads of Brazil's armed forces he pledges solidarity and declares that in time of danger he is "ready to fight, win and die" for Brazil. (N.Y. Herald Tribune)

VENEZUELA BREAKS DIPLOMATIC RELATIONS with Axis powers. Members of American colony jubilant. News received with enthusiasm by Venezuelans who have been opponents of dictatorship since death of President Gomez. Newspaper Tiempo says rupture of relations with Axis "is evident proof that our government is advancing every day in its loyal support without reservation of the agreements it has made with the other American nations."

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LATIN AMERICAN NEWS DIGEST

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January 5, 1942.

ESSENTIAL OILS TO BE DEVELOPED IN LATIN AMERICA. Research being conducted with Department of Agriculture and countries in Central and South America to produce essential oils, which provide the basis for perfumes and soaps, equal to those hitherto imported from abroad. (N.Y. Times)

9 LATIN AMERICAN COUNTRIES SIGN "DECLARATION BY UNITED NATIONS," pledging full war efforts and no separate peace. Signers are Central American nations and Caribbean republics which are already belligerents. (N.Y. Times)

LINER "ARGENTINA" ACQUIRED BY NAVY, presumably for use as transport. Acquisition of "Argentina" marks latest of numerous requisitions by Navy from various large steamship companies. A number of United Fruit Line, Matson Line, American-Hawaiian Line freighters have been secured. (N.Y. Journal of Commerce)

ADVANCE ARRIVAL OF DELEGATES to Rio indicated. Diplomatic circles in Brazil studying factors likely to affect course of conference, namely: Signing of "Declaration by United Nations;" proposal of Caribbean republics that all the American nations declare war on the Axis; increased propaganda efforts of Axis agents in South America. These factors, combined with "neutral" hesitation of some South American nations, regarded as possibility of friction in conference. (N.Y. Times)

ARGENTINE DELEGATION MEETS to decide upon viewpoints to be upheld at Rio conference. Item of special interest is problem of convoying ships between ports of South America. Feeling is that each country must protect shipping off its own coast since Argentina lacks warships and fuel necessary to convoy ships over longer distances. (N.Y. Times)

COSTA RICA PLANNING TO INCREASE FOOD OUTPUT in order to furnish commodities to American garrisons in Canal Zone. (N.Y. Journal of Commerce)

CUBA LEVIES WAR TAXES. Luxury tax placed on perfumes, glassware jewelry, liquor, textiles, etc.; automobile owners will pay five dollars a year; crude sugar consumed in Cuba is taxed forty-four hundredths of a cent a pound. (N.Y. Times)

MEXICO ALERT ALONG PACIFIC COAST. General Cárdenas reports that no submarine or air bases have been established along 3,000 mile coastline of Lower California. (N.Y. Times)

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LATIN AMERICAN NEWS DIGEST

No. 419

January 6, 1942.

FAVORABLE CREDIT POSITIONS for Argentina, Brazil and Colombia shown in weekly bulletin of Foreign Credit Interchange Bureau. Figures for first 11 months of 1941 indicate that higher export prices and stressing of new export crops more than outweigh disadvantages of closed European markets. (N.Y. Journal of Commerce)

LATIN AMERICAN DIPLOMATIC BREAK WITH AXIS to be proposed at meeting of American foreign ministers in Rio de Janeiro. Proponents believe measure would be more effective than unanimous declaration of war suggested by Generalissimo Trujillo of Dominican Republic. (William H. Lander in Washington Post)

THREE LEGATIONS BECOME EMBASSIES. U.S. legations in Bolivia, Ecuador and Paraguay and Washington legations of those countries raised to embassy rank. (N.Y. Times)

EXPLOSION ON ARGENTINE SHIP, en route to Philadelphia, kills captain and injures several crew members. Ship "Rio Diamanta" was recently acquired from Italy. (N.Y. Times)

ECUADOR'S FOREIGN MINISTER TO VISIT WASHINGTON, en route to continental defense conference in Rio. Believe visit relates to border dispute with Peru. (N.Y. Times)

MEXICO COMPLETES PACIFIC COAST DEFENSES, Gen. Lazaro Cárdenas informs National Defense Ministry. (Christian Science Monitor)

PUERTO RICAN DEFENSE BOARD, similar to those in continental United States, set up by Department of Agriculture. J. Bernard Frisbie of San Juan will head board, composed of principal field officers of Department in Puerto Rico. (N.Y. Times)

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943
234

UNITED STATES DEPARTMENT OF AGRICULTURE
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LATIN AMERICAN NEWS DIGEST

No. 420

January 7, 1942.

CUBA SEES PROSPERITY in U.S. agreement to take all of 1942 sugar crop not consumed in Cuba or sold to other Latin American countries. Total production expected to amount to 3,500,000 tons in contrast to 3,137,492 tons in 1941, including sizeable carry-over from previous years. Guaranteed price of 2.65 cents a pound nearly a cent above last year's prices. Also, U.S. duty cut to 3/4 cent a pound from 9-10 cent, and ocean freight rates have been reduced. Cuba's exports of other products to U.S. also have increased sharply. (N.Y. Times)

NAZI AIRLINE REPORTED SEIZED BY BRAZIL. Ownership of stock in German-controlled Condor Airlines will be restricted to native-born Brazilians with Brazilian Minister of Aviation in charge of operations. Condor lines covered routes connecting Santiago, Chile, with Rio, by way of Argentina and Uruguay, and recently had been extended throughout Brazil's interior. (N.Y. Journal of Commerce)

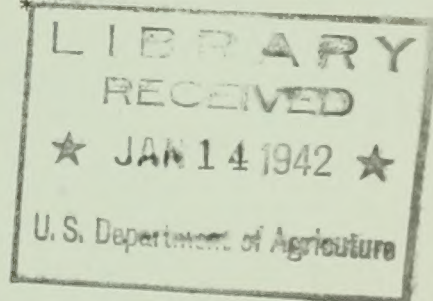
MEXICAN GUNBOATS AND PLANES PATROLLING PACIFIC COAST. General J. Salvador Sánchez, right-hand military man to President Avila Camacho, states 9 planes go out daily to patrol shore off Lower California. Mexico awaits 200 airplanes from U.S., including 50 bombers, for which negotiations have long been under way, General Sánchez reports. (N.Y. Times)

NICARAGUA'S NEW AIRPORT COMPLETED. Field large enough to take care of all traffic, and can be enlarged by several thousand acres if necessary. (N.Y. Times)

AXIS DIPLOMATS LEAVE PANAMA for Washington, where arrangements are being made for their departure for Europe. Ministers of Argentine and Spain expected to take over Axis interests in Panama City. (N.Y. Times)

URUGUAY PROHIBITS AIRPLANE FLIGHTS over Montevideo and night flights throughout country. All foreign pilots grounded. (N.Y. Times)

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1943
234

UNITED STATES DEPARTMENT OF AGRICULTURE
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LATIN AMERICAN NEWS DIGEST

No. 421

January 8, 1942.

RIO CONFERENCE PRELIMINARIES: Argentina indicates that she will not agree to military alliances or "measures of pre-belligerency." Foreign Minister Enrique de Ruiz-Guinazú emphasizes the brotherhood of "the southern American republics" and "regional economic co-ordination" between Argentina and neighboring countries. Chilean representative, Juan E. Rossetti, replies to host, emphasizing that "America" is one. There are no blocs, no artificial distinctions between north, center and south. "America is one and must remain one," he says. Nicaragua instructs delegates to adhere to plan favoring frank cooperation for continental unity and defense of the American republics to preserve their democratic forms. Uruguay proposes that all American republics sever diplomatic relations with Axis powers. (N.Y. Times)

LATIN AMERICAN WAR DECLARATIONS CAUSE CREDIT FEE-UP. Speakers at round-table conference of Foreign Credit Interchange Bureau discuss credit problems arising from declaration of war by Latin American countries against Axis powers and consequent blocking of transactions with nationals of these powers without regard to U.S. blacklist. Group votes to request Sumner Welles to ask consideration of matter at Rio conference. (N.Y. Times)

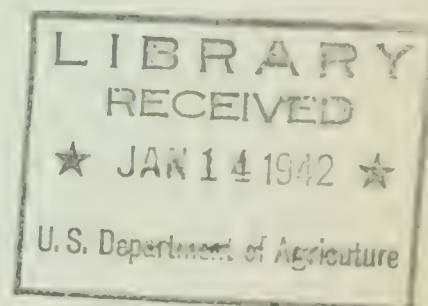
MEDICAL RESEARCH BODY FORMED by U.S. and Cuban scientists to foster research and scientific development in Caribbean area. Basil O'Connor named president of Executive Council. (Washington Star)

MEXICAN SHIP ARRIVES IN NEW YORK. Former German liner "Orinoco," seized last June at Veracruz, now under Mexican registry and renamed the "Puebla" will become first Mexican vessel to enter passenger service between New York and Mexican ports if present plans are followed. (N.Y. Times)

MEXICO TO CONTROL RAYON YARN SALES. Profiteering being eliminated and Federal Government, now in control of imports, intends to fix 10 percent as maximum profit on handling this fiber. Licenciado Amendo J. Trejo states that when rayon was being received from Italy and Japan, distributors made as high as 150 percent profit. (N.Y. Journal of Commerce)

NICARAGUAN PRESIDENT APPLAUDS ROOSEVELT SPEECH and characterizes it as "one of the most stirring, aggressive speeches ever uttered and should renew and bolster the hopes of all democratic countries and strike terror to all nations that are attempting to enslave mankind." (N.Y. Times)

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UNITED STATES DEPARTMENT OF AGRICULTURE
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LATIN AMERICAN NEWS DIGEST

No. 422

January 9, 1942.

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: NOTICE :
: This Digest will hereafter be issued weekly: :
: and sent to those who return the form dis- :
: tributed with the next issue. :
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1941 COFFEE FUTURES TRADING HEAVIEST SINCE 1937, reports W.W. Pinney, president of the New York Coffee and Sugar Exchange. Reports that in both A and D coffee contracts, 7,402,250 bags were traded in 1941, compared with 1,993,000 bags in 1940 and 8,967,250 bags in 1937. Increase attributed to increased interest in coffee as result of Inter-American Coffee Agreement. (N.Y. Times)

U.S. DELEGATION LEAVES FOR RIO CONFERENCE of foreign ministers to plan closer inter-American cooperation in war effort. Secretary of State Hull, discussing meeting in press conference, praises spirit of inter-American solidarity and cooperation to date, refuses to commit self on whether or not U.S. wishes South American republics to declare war. (N.Y. Times)

ARGENTINA CURBS FOREIGN BANKING through Cabinet measure imposing government control on non-American countries to curb activities of foreign agents. Transfer of funds to and from other American countries will be allowed to continue unhampered. New measure leaves alien residents free to continue legitimate occupations but makes it difficult for foreign agents to receive money from abroad for illegitimate purposes. (N.Y. Times)

ARGENTINA AND PERU COMPLETE COMMERCIAL TREATY, to be signed after Rio conference. Understood to provide increased purchases by Peru of Argentine meat, wheat and corn and increased Argentine purchases of Peruvian cotton and petroleum. (N.Y. Times)

DEFEATING HITLER COMES FIRST, SAYS CUBAN Foreign Minister Gabriel Landa in interview at Rio de Janeiro. "Democracies," he says, "must concentrate on the defeat of Hitlerism in the Atlantic, then turn to the Pacific to crush the Japanese." (N.Y. Times)

MEXICO EXPROPRIATES 133,952 ACRES belonging to William Randolph Hearst and presents it to 11 towns in State of Chihuahua. Amount paid Hearst for land not stated. (Washington Post)

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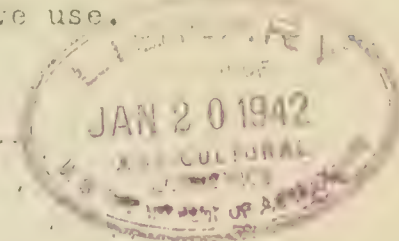
LATIN AMERICAN NEWS DIGEST

No. 423

January 16, 1942

Compiled weekly from official and press sources for administrative use.

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ECONOMIC ACTION AT RIO CONFERENCE seen as important as actual defense plans. Economic solidarity measures to be concerned with: 1. Control of exports in order to conserve basic and strategic materials. 2. Arrangements for furnishing to each of American republics materials essential for maintenance of domestic economy. 3. Maintenance of adequate shipping facilities. 4. Control of alien financial and commercial activities. (N.Y. Journal of Commerce) Harold Callender says Rio conference will see U.S. going beyond its former policy which "so far has been to prop up the shaken economies of our Latin neighbors by loans and trade favors without any political conditions and then hope for the best." (N.Y. Times)

INCREASED ECONOMIC COOPERATION among American nations vital from standpoint of hemispheric defense, writes Mordecai Ezekiel, Economic Advisor to Secretary of Agriculture. Urges two-way trade agreements -- enlarged exports for American lard, wheat, dried fruits, and industrial products, in exchange for enlarged imports of products of country concerned. Says: "The development of new industries in South and Central America aided by adequate capital at reasonable rates from the United States, the extension of transportation facilities, and technical exploration and research will be of permanent usefulness." (Export Trade and Shipper).

FREER TRADE PLAN GAINING IN SOUTH AMERICA as result of activities of Dr. Oswaldo Aranha, Brazilian Foreign Minister, who recently visited Argentina, Chile and Uruguay and stirred some nationalists to international thinking along economic lines. Visit seen as step in direction of South American customs union. One result was signing of Argentina-Brazil "progressive trade treaty," a 10-year plan to encourage new agricultural and manufacturing industries in both countries. (Christian Science Monitor) Argentina-Peru trade treaty predicted after Rio conference. (N.Y. Journal of Commerce)

SOUTH AMERICA'S ECONOMIC ROLE IN WAR seen as more important than in last war. In 1941, Chile was important as raw-material supplier and Argentina as exporter of foodstuffs. Today, Bolivia, Brazil and Peru are valuable sources of essential minerals. (PM)

TIMBER RESEARCH IN LATIN AMERICA advocated by Dr. Samuel J. Record of Yale University School of Forestry to bring into use dozens of kinds of Latin American woods, of all weights, densities and adaptabilities, which might supplement our own diminishing supply of native woods. (N.Y. Times)

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GOOD NEIGHBOR POLICY THREATENED by supply difficulties. Says one exporter on our inability to meet Latin American demands for strategic materials: "The situation is full of potential ill-will, but the fact is that the U.S. is fighting a war and there just aren't enough of these 'essential' supplies to go around. We've simply got to convince the Latin Americans in a courteous, friendly way, that we are doing the best we can." (George A. Mooney-N.Y. Times)

ARGENTINE REPORT from Argentine-American Chamber of Commerce: Argentina plans production of medicinal herbs and hemp and manufacture of textiles from caranday palm tree. Mortgage loans to be made to all wheat and linseed producers to assist them until they have sold crops; maximum loan to any firm is 100,000 pesos. Cotton bag factory to be opened in Chaco territory. (Airmail News-Letter)

ARGENTINA SPEEDS MINE PRODUCTION. Government has been asked to aid campaign to develop republic's deposits of minerals required in manufacturing. Many of these minerals will be exported under special permit. Arrangement was concluded recently whereby U.S. agrees to purchase up to 3,000 tons a year of Argentina's production of tungsten ore and concentrates for the next three years. (N.Y. Times)

COLOMBIA SEEKS TO SELL ENTIRE BANANA CROP TO U.S. Negotiations undertaken since Lagdalena Fruit Co., which dominates banana market, has suspended all exportations because of war-caused unemployment and distress to independent growers. (N.Y. Journal of Commerce)

CUBA HALTS TIRE SALES. Temporary ban of 72 hours imposed by President Batista pending control measures. Speculation and reports of proposed shipments of these articles from Cuba motivate action, according to an official note. (N.Y. Times)

MEXICO SEEKS RAYON SUPPLY HERE. Minister of Economy Javier Gaxiola will arrive in Washington to negotiate for a supply of rayon to keep Mexico's mills in operation. CTM (Confederation of Mexican Laborers) told by President Avila Camacho that the Government is determined that the mills will not be permitted to shut down. (N.Y. Journal of Commerce)

U.S. AND URUGUAY SIGN LEND-LEASE AGREEMENT said to involve about \$20,000,000. Agreement described by Secretary of State Hull as part of general movement of co-operation in hemispheric defense. (Washington Post)

URUGUAYAN PESO IMPROVED by U.S. wool purchases. Nation's gold stocks increasing. (Christian Science Monitor)

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UNITED STATES DEPARTMENT OF AGRICULTURE
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LATIN AMERICAN NEWS DIGEST

No. 424

Compiled weekly from official and press sources for administrative uses.

HEMISPHERIC WAR PRODUCTION PLAN reported drafted for presentation to Rio de Janeiro conference by United States officials. Plan, said to provide for abolition of all trade barriers, pooling of resources and an eventual common currency in Hemisphere, revealed by Commerce Department official. It would put to maximum use the raw materials, transportation, technicians and finances of all signatory nations. Also at Rio, Export-Import Bank loans in undisclosed amounts to Chile and Bolivia are reported. (N. Y. Times)

U.S. ALLOCATES MATERIALS TO OTHER AMERICAS. Douglas MacKeachie, head of purchases division of new War Production Board, discloses that first quarter allocations of critical materials have already been made to Latin American republics. Materials include long list of chemicals, 3,300,000 pounds of rayon, 375,000 tons of steel, 13 million dollars worth of farm equipment, 218,000 tons of tin plate and 3,500,000 pounds of lead. These materials are in curtailed amounts, reduced from normal demands of the South American countries in the same ratio as curtailments in U.S. (Washington Post)

RUBBER PROGRESS IN THE HEMISPHERE: Legislation authorizing Secretary of Agriculture to establish 76,000 acres of guayule rubber plants in Western Hemisphere passed by Senate and sent to House. (C.S.M.) Brazil's Foreign Minister, Dr. Oswaldo Aranha, says 20 million existing rubber trees in Amazon jungles could be tapped to produce rubber for war program. Sufficiently high rubber price, he says, "would start a gold rush to the Amazon." (N. Y. Times) Haiti will eventually produce 30,000 tons of rubber annually under cooperative program with United States, says Frank C. Magloire, chief of Division of Agriculture of Haiti, in New York interview. Reports plantations will be ready to export rubber by 1947 at cost below that of synthetic rubber. (N. Y. Times)

SUSPENSION OF INTER-AMERICAN TARIFF BARRIERS as war measure seen following U.S.-Canada agreement to cancel tariffs on war materials. Secretary of State Hull, in reply to questions, says he assumes spirit of this agreement will be in minds of officials considering ways and means of facilitating inter-American exchange of war materials. (N. Y. Herald Tribune) State Department denies report among foreign traders that duty-free entry of Argentine beef and flaxseed is being offered to Argentina, following precedent of agreement with Canada. (N. Y. Times)

AMERICAN SOCIETY OF AGRICULTURAL SCIENCES, U.S. Chapter, elects 1942 officers: President, Dr. Earl N. Bressman, Director, Agricultural Division, Coordinator of Inter-American Affairs; Vice President, H. P. Barss, Office of Experiment Stations, Department of Agriculture; and Secretary, Dr. John Provinse, Bureau of Agricultural Economics, Department of Agriculture. At chapter meeting in Pan American Union, William Pennock of Office of Inter-American Affairs discusses cinchona production in Guatemala, and B. Y. Morrison of Bureau of Plant Industry, U.S.D.A., gives observations of Peru made on recent agricultural survey of that country.

LATIN AMERICAN NEWS DIGEST - 2

LATIN AMERICA HAS AN AGRICULTURAL ECONOMY, says Hubert Herring, author of The Good Neighbors. Agriculture has always been, and must remain, the basic reliance of Latin America, he writes. Bolivians think of themselves as rich in mines, but only 40,000 out of 3 million are miners. Argentina is proud of her industries, but more than three-fourths of Argentine workers get their living from the land rather than the factory. (The New Republic)

LATIN AMERICAN COUNTRIES REPORTED BOOMING as result of U.S. trade. South American mines and fields producing at near-capacity and continent now has creditor position against U.S., which is importing all raw materials it can obtain and cannot spare enough finished goods to satisfy South American demand. Movement of foreign capital to South America in last year said to have totalled perhaps \$250,000,000. Prices seen replacing tariffs as chief bone of contention in trade between the Americas, since prices are now determined not by free play of supply and demand but by negotiations between governments. (C. S. M.)

LATIN AMERICA MUST BE DEVELOPED SLOWLY by those willing to take small profit over long period, reported as consensus of U.S. officials who have visited there in last year and half. Writer says private investors must be willing to provide working conditions comparable with those in U.S. and to develop business in such a way that community in which it grows retains substantial part of benefits. (John Lear, Washington Post)

INCREASED SHIP-BUILDING FOR LATIN AMERICAN TRADE after war seen as necessity. "... new merchant marine to handle a traffic which will exceed anything known in previous history" advocated by R. C. Hurlbut, staff writer, San Francisco Chamber of Commerce. (N. Y. Journal of Commerce)

"RICHNESS AND VERSATILITY" OF THE AMERICAS cited by Nelson Rockefeller, Coordinator of Inter-American Affairs, in address opening Latin American fair in New York City. Mrs. Roosevelt, Mrs. Wallace, and Latin American diplomats attend. Fair exhibits large assortment of Latin American merchandise, ranging from foodstuffs to art objects. (N. Y. Times)

CONTINUED ADVERTISING IN LATIN AMERICA despite scarcity of merchandise for sale urged on grounds that "good will is not something you can put in cold storage for the duration and hope to bring out as fresh as ever after the war." Use of institutional advertising advised. (Export Trade and Shipper)

ARGENTINA DECLARES U.S. EXPORT QUOTAS INSUFFICIENT. Finance Ministry announces it will control allocation of essential imports from U.S., adding that U.S. export quotas are "insufficient for Argentine needs." (N. Y. Journal of Commerce)

ARGENTINE BOND CONVERSION augments treasury funds about 159,000,000 pesos annually through savings in interest and increased income tax revenues, Argentine Information Bureau reports. Country recently converted 4 billion pesos of national indebtedness from 4½ and 5 percent bonds to 4 percent issues. (N. Y. Times)

LATIN AMERICAN NEWS DIGEST - 3

CHILE ESTABLISHES TRADE CONTROLS. Permits to be refused until next harvest, for exports of rice, onions, potatoes, cheese, flour, wheat, corn and bran, and until further notice the export of green vegetables is prohibited. In addition, exportation of canned milk, fruits, and vegetables will be permitted only to those countries which obligate themselves to return to Chile the equivalent quantity of tin plate used for containers for such shipments. (Foreign Commerce Weekly)

COLOMBIA SEEKS EXPORT PRIORITIES listings in U.S., since Colombian textile workers have been thrown out of work as a result of lack of raw materials. (PM)

COLOMBIANS TO LEARN ABOUT VITAMINS. Señora de Aya, Colombian representative on Inter-American Commission of Women, is translating Office of Civilian Defense pamphlets on diet and health. (N. Y. Herald Tribune)

COSTA RICA RECEIVES GRANT of 8 million dollars of a 20 million dollar highway loan in order to complete its link in the strategic Pan American Highway. (Washington Post)

CUBA GUARDS SUGAR CROP against sabotage at mills and in cane fields. Sugar Producers Association dissatisfied with 50% wage increase granted by President Batista to workers in sugar mills and will formally protest to President. (N. Y. Times)

MEXICO IMPOSES 12% TAX ON VEGETABLES crossing international boundary to American and Canadian markets. Brokers predict ruin for industry now enjoying its most successful season. Tax amounts to \$125 on carload of tomatoes, \$120 on peas and \$70 on peppers. (N. Y. Herald Tribune)

U.S. SELLS LARD TO MEXICO. Seven million pounds reported purchased. Provision experts are of opinion that Mexico may be one of leading outlets for American lard for balance of this year and perhaps for duration of war. (N. Y. Journal of Commerce)

MEXICAN INDUSTRIALISTS DISTURBED BY ECONOMIC DEPENDENCE ON U.S. and difficulty of getting machinery and raw materials for Mexican industries. It is feared that difficulties of priority system will grow with intensification of United States war production, and also that influx of American capital for President Avila Camacho's industrialization program may not be forthcoming. This explains the presence of Francisco Javier Gaxiola, Minister of National Economy, in Washington. (Harold Callender, N. Y. Times)

NICARAGUAN MONEY RISES, córdoba reaching rate of five to a dollar, its highest point in five years. (N. Y. Times)

UNITED STATES DEPARTMENT OF AGRICULTURE
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LATIN AMERICAN NEWS DIGEST

No. 425

January 30, 1942

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PAN AMERICAN EXHIBIT OPENS in Department of Agriculture patio. Display, showing material which has been furnished at Pan American Fiestas in several States, will continue through Tuesday, February 3. It may be seen from 9 A.M. to 5 P.M. daily.

NEW ECONOMIC ORDER FOR THE AMERICAS evolved at Rio Conference. Eight-point "hemisphere production plan", although concerned specifically with meeting wartime situation, will be of lasting benefit in Latin American trade. (N.Y. Times) Most important resolution calls for severance of financial and commercial relations with Axis. Recommendations include speedy production of strategic materials; mobilization of shipping facilities, maintenance of internal economies of American republics during war emergency, and provision for financial conference to set up international stabilization fund. (Bertram D. Hulen, N.Y. Times) Secretary Morgenthau hopes American republics and Canada will agree upon common unit of currency for use in settling export trade accounts. (N.Y. Journal of Commerce) Hemisphere Plan includes: 1. Dredging of a 60-mile canal to connect Amazon and Orinico Rivers in Brazil so that resources -- principally rubber -- can be transported more easily from the area. 2. Construction of a new port west of Guayaquil, Ecuador, so ships will not have to wait for sufficient tide to go out to sea again. 3. Conversion of banana industry of Central America and northern South America to production of industrial alcohol. (Christian Science Monitor)

WHAT THE LATIN AMERICAN EDITOR WANTS FROM THE U.S. "Newsprint, ink, parts and replacements, supplies of all kinds at reasonable prices...shipping to carry supplies...more background material of all kinds and more cultural material, prepared by journalists for newspaper use...honest commercial advertising." (Joshue B. Powers, Export Trade and Shipper)

INTER-AMERICAN DEVELOPMENT COMMISSION establishes national commissions in Cuba, Haiti and the Dominican Republic, according to announcement of Nelson A. Rockefeller. Function of Commissions, 20 of which have been organized, is stimulation of Western Hemisphere trade and development of resources. (Export Trade and Shipper)

WAR RISK INSURANCE RATE INCREASED, as result of Atlantic war, on shipments moving between ports in West Indies, including Bahamas, east coast Central America, east coast Mexico, and north coast South America, including shipments by sailing vessels. (N.Y. Journal of Commerce)

EXPORT PRICE CEILINGS to protect Latin American buyers, declares Leon Henderson, making public text of telegram sent by Cordell Hull to Rio, outlining new U.S. policy. Particular care will be taken that export differentials in ceilings provide for higher costs of doing business outside of continental U.S. and do not discriminate against the exporter or check the flow to foreign markets. (N.Y. Journal of Commerce and Christian Science Monitor)

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LATIN AMERICAN CREDIT INDICES RISE. Commercial credit and collection conditions in Latin American markets continued upward trend during last half of 1941, according to survey released by Foreign Credit Interchange Bureau of National Association of Credit Men. "Prospects are excellent that the exports of all kinds of war materials from the majority of the Latin American countries will continue," Kenneth H. Campbell, bureau manager, declares, "and that these countries will be asked to increase their production to satisfy the demands of the U.S. for additional raw materials." Says U.S. manufacturers must convince their Latin American customers that they are getting "more than their just share" of our production. (N.Y. Journal of Commerce)

POST-WAR AMERICAS TO BE UNSHACKLED says Bracley Acheson, editor of Selecciones del Readers Digest at meeting of Export Advertising Association, Inc. Predicts that by end of war many of these countries will be on "new industrial footing" and out of bankruptcy. (N.Y. Journal of Commerce)

LATIN AMERICAN MARKET GUIDE, released by American Foreign Credit Underwriters Corporation, lists and rates some 55,000 leading importers, manufacturers, distributors and sales agents throughout Central and South America and provides basic marketing and credit data for American foreign traders. (N.Y. Journal of Commerce)

HEMP FOR NAVY ROPE AVAILABLE IN AMERICAS as result of botanical research conducted by U.S. Department of Agriculture, says Dr. E. C. Auchter, Plant Industry chief. Abacá plant, from which manila hemp is made, has been brought into fairly large-scale production in Central America, and great increase in acreage is expected for the current year. Other products which have been subject to research include long-staple cotton, fiber flax, drug plants, rubber and legumes. (N.Y. Times, Science Service)

YARN SUPPLY TIGHT FOR SOUTH AMERICA. Trade seeks ceiling price of mercerized yarns for export trade so that bootleg activities will be halted and aid given to long-established firms which have been penalized because they declined to take advantage of tight delivery picture. Yarn exporters say that if they had been able to ship all yarn wanted, 1941 would have been biggest year since 1926. (N.Y. Journal of Commerce)

ADEQUATE COFFEE SUPPLIES ASSURED U.S. despite shortage of shipping facilities. During last quarter of 1941, coffee imports aggregated 4,709,000 bags, almost 27 percent of total quota of 17,550,000 bags set by Inter-American Coffee Board. Production of coffee in Latin America is far more than adequate to fill our requirement; and if ships are requisitioned for war use, they could be replaced by Axis ships now interned in ports of coffee-producing countries. (Editorial, N.Y. Journal of Commerce)

ARGENTINE HIGHLIGHTS. Because of reduced export of shell eggs, Argentina is setting up an egg-drying industry. Britain's need for food in a form that can be easily transported forced United Kingdom to stop its imports of shell eggs from Argentina and Argentina turned temporarily to U.S. as outlet for its surplus fresh eggs. (N.Y. Journal of Commerce) Minister of Agriculture Daniel Amadeo y Videla praises U.S. action in reducing freight rates on South American routes and says it is "highly beneficial to American economy. We intend to make certain that

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benefits obtained by the lower rates will be extended to producers as well as to exporters." (N.Y. Journal of Commerce). Full cargo of Argentine rye reported purchased by U.S. elevator interests. Despite fact that supplies of U.S. rye are still fairly large this purchase was made, according to leading authorities, because of relative cheapness of Argentine rye compared with U.S. rye. (Christian Science Monitor)

\$25,000,000 DEVELOPMENT PROGRAM GRANTED BOLIVIA, according to announcement at Rio de Janeiro. First big project expected to be construction of a 225-mile highway from Cochabamba to Santa Cruz, linking Bolivia's agricultural and mining centers. (N.Y. Journal of Commerce)

IMPORT DUTY EXEMPTIONS IN BOLIVIA include agricultural machinery and accessories, fencing materials, disinfectants, insecticides, plants, and livestock intended for agricultural purposes, if imported under permit from the Bolivian Ministry of Finance. This privilege was formerly granted to such imports only when made by Bolivian agricultural societies. (Foreign Commerce Weekly)

BRAZIL TO REQUIRE IMPORT LICENSES for materials, products and machinery from U.S. that are subject to priorities and export license in this country. Exporters believe practice will end false charges of U.S. profiteering which have developed when importers in Latin America, even when protected by price ceilings, have boosted prices sharply and blamed "Yanqui profiteering." (Export Trade and Shipper)

BRAZIL REGULATES RUBBER EXPORTS, prohibiting exportation from State of Pará of rubber in closed or uncut balls, regardless of origin. Rubber marketed in Pará may now be marketed only if cut is made to middle of ball to permit checking of percentage of first- and second- quality rubber contained in ball as well as to ascertain whether or not foreign material has been added during smoking. (Foreign Commerce Weekly).

BRAZIL AND CHILE SIGN COMMERCIAL AGREEMENT, granting to each other unconditional and unlimited most-favored-nation treatment in all matters pertaining to customs duties and supplementary charges, internal taxes, and shipping. In addition, import duty concessions are granted by each country to the other on a specified list of products. (Foreign Commerce Weekly)

BRAZIL'S COTTON EXPORTS INCREASE during 11-month period of 1941 ended in November as compared with same period of 1940, according to figures released by American Brazilian Association, Inc. Exports for the 1941 period increased to 285,300 tons, tonnage of 191,631 exported in the same period of 1940. At the same time, the association reported a decline in average per ton value of exported cotton. (N.Y. Journal of Commerce)

ENTIRE STRAW BRAID OUTPUT OF HAITI reported contracted to sign firm in Connecticut. Action, reported confirmed by official publication in Haiti of contract, would close to general market one more source of material used in manufacture of sennet and coconut braid hats. Braid formerly came from Europe, later from Far East. Effect of shortage expected to be felt in 1943 hat trade. Report Connecticut firm will establish plant in Haiti to manufacture 300 dozen hats a week. (N.Y. Journal of Commerce)

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MEXICAN PRODUCT PRICES STRONG. Advance noted in sarsaparilla root, candelilla wax, vanilla beans, and jalap root. (N.Y. Journal of Commerce)

MEXICAN SISAL BAG FACTORY turning out 300,000 sacks daily. New processing industries in country include rendering plant for fish waste, glass factory, establishment for making shortening out of sesame seed, biscuit factory, and flax fiber processing plant. (Foreign Commerce Weekly)

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